ANNUAL REPORT 1983

A Provincial
Crown
Corporation

british
columbia
place

BRITISH COLUMBIA PLACE LTD.

PRESIDENT'S REPORT

British Columbia Place was established three years ago to assemble and service up to 224 acres of land on the north shore of False Creek in downtown Vancouver and progress has been good with 180 acres of land assembled. The Company is building and will operate a multi-purpose covered Stadium and it is setting design and planning guidelines for the next 25 years of development of its lands. B.C. Place will lease approximately two thirds of its serviced land to Expo 86, until 1987, for the world's fair on transportation and communication.

The Stadium will open ahead of schedule on June 19th and will be within the original budget of $126 million set in early 1981. We were pleased to be able to provide the Stadium to Expo 86 on March 9th, 1983 for a welcoming pageant for the Queen. Stadium event bookings are encouraging, the Whitecaps and Lions are planning their 1983 season in the Stadium and, in addition, over 90 trade, consumer and other shows, including both the 1983 Grey Cup and Soccer Bowl, will take place in the Stadium during its first year.

The Stadium has been enthusiastically received in British Columbia, acclaimed throughout Canada, and almost 200,000 people have now attended the public tours. We expect the Stadium to break even on an operating basis in 1984-1985 and continue to improve its operating position thereafter.

The Stadium will have a computerized electronic system providing all the usual scoreboard functions, and a giant high definition colour video screen that can be used for replays during games, advertising, entertainment, and display via satellite of events in other parts of the world. This high technology facility will improve advertising revenue and is an opportunity for new forms of entertainment in the Stadium.

Vancouver Ticket Centre Ltd. has been appointed to provide computer ticketing facilities and will provide ticket outlets throughout British Columbia. This will allow British Columbians who do not live in Vancouver a fair choice of seat selection.

Canteen of Canada Ltd. was appointed to manage food and beverage for concessions, vending, private boxes and in-house catering. Profits and control remain with B.C. Place and Canteen earns a management fee.

Since the original B.C. Place concept plan was published one year ago, over 250 public meetings have been held, a major public information program implemented, and letters from every corner of the Province studied. Using public input, our own design team, working jointly with Arthur Erickson of Vancouver and Fisher Friedman of San Francisco, prepared a new plan. Senior City staff were provided the opportunity to participate and the plan was publically unveiled by the Premier in February of this year. This is now being widely shown to the public at large and discussed with City staff, City Council and other agencies. Late in May, 1983, the City will be asked to agree to the overall development framework and to more detailed designs for the neighbourhood on which development will be initiated prior to Expo.

Under the plan, 41 percent of the site will be developed by the private sector for residential and commercial space; this will provide up to 14,000 housing units including over 3,000 units for families of below average income. B.C. Place plans 7.7 million square feet of commercial space of which about half will be in offices and located between the Georgia and Dunsmuir viaducts. 37 percent of the land not used for roads will be in public space, almost four times the amount of park space that can be required of private developers under the Vancouver Charter. This public recreation space will ensure that B.C. Place is a lively part of the downtown and an exciting place for British Columbians to visit.

B.C. Place has agreed to lease two thirds of its lands to Expo 86 and is working closely with Expo to ensure the success of the world's fair. To help Expo meet its tight deadlines, B.C. Place will construct a seawall, roads, services and some structures that will serve both Expo and remain as part of B.C. Place after the exposition.

1982/1983 has proved to be a good year to implement site servicing. Not only has B.C. Place contributed to employment in a time of recession, but tenders have been competitive and below budget. Site servicing is well under way with 50 percent of the major utilities completed. The western section of the main road will be completed prior to Stadium opening. The City is expected to let tenders for a realigned north end of the Cambie Bridge. If agreement is reached soon on a development plan, B.C. Place will fund 50 percent of an entirely new Cambie Street Bridge.

To help make housing at B.C. Place available to as wide a market of working British Columbians as possible, the Company has developed an innovative financing program which is expected to be implemented later this year.

British Columbia Buildings Corporation purchased the only outstanding share of the Company from the Province and coincident with this purchase, invested $205 million of equity into B.C. Place. The Minister of Finance for the Province of British Columbia has retained all voting rights of the share. B.C.B.C. borrowed this money in the open market. When supplemented with direct borrowing by B.C. Place, this equity capital will provide the money for development. If there are no major delays, and no major changes are required to the development plan, B.C. Place expects to show a positive cash flow by 1987 and to have repaid B.C. Place borrowings by 1993.

We are cautiously optimistic that our local and international economies will strengthen, reflecting increased consumer confidence. Key elements to recovery will be government restraint, stability and further reduction in interest rates and inflation. In general, we expect our weak economies to show improvement over the next few years and see the opportunity for B.C. Place to establish itself as a major factor in the real estate development field during this period of rebuilding.

We would like to pay special tribute to the founding Chairman of B.C. Place, Alvin Jackson Narod, who suffered a cardiac arrest while attending a meeting at B.C. Place on March 7th and died on March 26th. Mr. Narod had a history of heart problems. He was one of the most successful contractors in British Columbia and, at the request of Premier Bennett, came out of retirement to head up the B.C. Place organization and has made a large and important contribution to its success. The organization he has left behind is experienced and highly professional and will continue to provide the Company with the imagination, drive and commitment that will be so essential to success. We have a strong and able Board of Directors to guide the Company's growth and development. Although Alvin Narod will be sorely missed, we are confident that the Company he ably guided from its inception will continue to do well.

Gilbert J. Hardman
President

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

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Victoria
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V8V 1X4

AUDITOR'S REPORT

To the Shareholder of British Columbia Place Ltd., and

To the Minister of Environment
Province of British Columbia

I have examined the balance sheet of British Columbia Place Ltd. as at March 31, 1983 and the statement of source and application of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at March 31, 1983 and the source and application of its funds for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
May 16, 1983

BRITISH COLUMBIA PLACE LTD.

(Incorporated on March 25, 1980 under the Company Act of British Columbia and having special powers under the British Columbia Place Act)

BALANCE SHEET

AS AT MARCH 31, 1983

	1983 ($'000's)	1982 ($'000's)
ASSETS		
Cash at Bank	$ 1,688	$ 3,222
Short Term Investments	500	1,750
Grants and Accounts Receivable	1,340	12,794
Land	86,420	78,868
Stadium Construction and Development (Note 2)	110,574	50,026
Stadium Boxes	319	---
Site Services and Development	23,215	3,635
Furniture, Equipment and Leasehold Improvements,		
Less Depreciation and Amortization	346	282
Deferred Charges	866	197
Mortgages Receivable	2,655	155
	$ 227,923	$ 150,929
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 22,387	$ 13,140
Accrued Interest	---	3,002
Notes Payable to the Province of British Columbia	---	69,787
Deferred Income	536	---
	22,923	85,929
SHAREHOLDER'S EQUITY		
Share Capital (Note 3)	205,000	65,000
Contributed Surplus (Note 4)		
	$ 227,923	$ 150,929

The accompanying notes are an integral part of the Financial Statements.

Approved by the Board:

Gilbert J. Hardman, Director

Lucille M. Johnstone, Director

BRITISH COLUMBIA PLACE LTD.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED MARCH 31, 1983

	1983 ($'000's)	1982 ($'000's)
SOURCE OF FUNDS		
Contributed Surplus (Note 4)	$ 205,000	$ ---
Depreciation and Amortization	74	30
Increase in Accounts Payable and Accrued Liabilities	9,247	12,335
Grants from the Province of British Columbia	---	56,547
Decrease (Increase) in Cash, Short Term Investments and Accounts Receivable	14,238	(14,938)
Deferred Income	536	---
	$ 229,095	$ 53,974
APPLICATION OF FUNDS		
Land	$ 7,552	$ 14,197
Stadium Construction and Development	60,548	46,757
Stadium Boxes	319	---
Site Services and Development	19,580	3,060
Furniture, Equipment and Leasehold Improvements	138	197
Deferred Charges	669	153
Decrease (Increase) in Notes Payable to the Province of British Columbia	69,787	(27,062)
Mortgages Receivable	2,500	155
Decrease (Increase) in Accrued Interest	3,002	(908)
Collateral Mortgage	---	17,425
Reduction in Contributed Surplus (Note 4)	65,000	---
	$ 229,095	$ 53,974

BRITISH COLUMBIA PLACE LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1983

Basis of Reporting

The financial statements of the Corporation are presented in accordance with generally accepted accounting principles.

1. **Accounting Policies**

(a) All costs of constructing the Stadium are being capitalized, as are all land purchase costs, including interest, property taxes, temporary lease expenses less revenues, and other items related to these purchases.

Land purchase and site development expenditures will be allocated among the Stadium and other projects as they are developed.

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation on furniture and equipment is calculated on a straight-line basis at a rate of 20%. Amortization on leasehold improvements is calculated to write off the asset over the remaining term of the lease. As at March 31, 1983 accumulated amortization and depreciation amounted to $127,000.

(b) Deferred charges represent Stadium operations start up costs which will be charged against Stadium operations commencing in fiscal 1983/84.

2. **Stadium**

Construction	$ 98,289,000
Other development expenses	12,285,000
	$ 110,574,000

3. **Share Capital**

Authorized 10,000 common shares without par value.

Issued and fully paid, one share to British Columbia Buildings Corporation - $1. The Minister of Finance for the Province of British Columbia retains voting rights of this share.

4. **Contributed Surplus**

Contributed surplus represents an equity investment by British Columbia Buildings Corporation in the amount of $205 million coincident with the acquisition of the only outstanding share of the Company from the Crown in right of the Province.

4. **Contributed Surplus - Continued**

An aggregate of $65 million representing claims previously made by the Company of $15 million from the B.C. Place Fund and $50 million from the Lower Mainland Stadium Fund was paid as a dividend to the Province of British Columbia.

5. **Contractual Obligations**

(a) The Company has entered into an agreement with Dillingham Corporation Canada Ltd. to construct the Stadium for a guaranteed maximum price of $111,441,000. As at March 31, 1983, costs of $98,289,000 had been incurred relating to this agreement. Management presently believes there is not a contingent liability with respect hereto.

(b) The Company has entered into an agreement with Phillips Barratt for the provision of architectural and engineering services at a cost of approximately $5,350,000. As at March 31, 1983, costs of $4,798,000 had been incurred relating to this agreement.

(c) The Company has entered into various agreements to provide services for the Stadium and site property. As at March 31, 1983, the total value of commitments was $12,365,000 and costs of $2,091,000 had been incurred relating to such agreements.

6. **Contingent Liability**

A problem developed through the bankruptcy on March 26, 1982 of Bordignon Construction Ltd., a Stadium trade contractor, resulting in a number of liens being filed against the property. In the opinion of legal counsel:

(a) under the Builders' Lien Act, the Company's liability will be limited to the 15% holdback applicable to the work completed at the time of the bankruptcy and most of the liens ultimately will be found invalid,

(b) any expenditures in excess of the Bordignon contract price should form part of Dillingham's Guaranteed Maximum Price without adjustment, and

(c) we have a claim against The Mortgage Insurance Company of Canada under its performance bond in the event of any loss.

Both Dillingham and The Mortgage Insurance Company of Canada have denied responsibility for any claims. We have commenced action in the Supreme Court of British Columbia to enforce our claim against The Mortgage Insurance Company of Canada.

In view of all these circumstances, in the opinion of B.C. Place management any additional costs due to this bankruptcy will not be material.

DIRECTORS

Gilbert J. Hardman
Vancouver, British Columbia
President,
British Columbia Place

*Bruce I. Howe
Vancouver, British Columbia
President,
British Columbia Resources
Investment Corporation

*Lucille M. Johnstone
Vancouver, British Columbia
Senior Vice President,
Rivtow Straits Ltd.

Edgar F. Kaiser, Jr.
Vancouver, British Columbia
Chairman,
Kaiser Resources Ltd.

Stanley Kwok
Vancouver, British Columbia
President,
Pendboro Development Co. Ltd.

*Allan D. Laird
Vancouver, British Columbia
Chairman,
Steel Bros. Canada Ltd.

Paul E.H. Manning
Vancouver, British Columbia
Vice President,
Corporate Relations
British Columbia Place

*John F. Newton
Vancouver, British Columbia
President,
Newton Investments Ltd.

Honourable C. Stephen Rogers
Vancouver, British Columbia
Minister Responsible
Minister of Environment

***Member of Audit Committee**

OFFICERS

Gilbert J. Hardman
President

Paul E.H. Manning
Vice President
Corporate Relations

J. Garry Watson
Secretary